

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:1106  
ANSWERED ON:24.11.2000  
GROWTH OF PUBLIC SECTOR ENTERPRISES  
GANTA SRINIVASA RAO;RAMDAS ATHAWALE;SANJAY PASWAN

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) the growth rate of the Public Enterprises, specially Bharat Heavy Electricals Limited (BHEL) and Hindustan Engineering Corporation (HEC) during the last six months;
- (b) the reasons for the negative growth rate, if any, in each of the Public Sector Enterprises, separately;
- (c) the year-wise details of the steps taken by the Government to make the growth rate positive and to make the production profitable and to make PSEs competitive in the world stage; and
- (d) the steps proposed to be taken by the Government during the year 2000-2001 and year 2001-2002 in this regard?

**Answer**

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a): As per provisional information available from 222 Central Public Sector Enterprises out of 235 in operation, the overall growth in terms of turnover and profitability has been positive during 1999-2000 as compared to the previous year. Bharat Heavy Electricals Limited(BHEL) has also registered a positive growth rate in net profit in 1999-2000 as compared to previous year. However, BHEL's growth rate has been negative in turnover and net profit during the last six months (1.4.2000 to 30.9.2000) as compared to the corresponding period of the last year.

There is no Hindustan Engineering Corporation as such in the Public Sector. However, there is Heavy Engineering Corporation (HEC) which has registered a negative growth rate in production, sales and profitability during the last six months(April 2000 to September 2000) as compared to corresponding period of last year.

(b): Major reasons for negative growth in HEC are poor order book position; low realization; and tight working capital situation. In case of BHEL the negative growth is due to delay in receipt of anticipated orders planned to be completed for turnover and non-materialising of orders from certain sectors due to deferment of projects.

(c) & (d): Enterprise specific measures are taken by the Government/PSUs for performance improvement from time to time which is a continuous process. The steps taken/proposed to be taken for performance improvement include financial and business restructuring; formation of joint ventures; technology upgradation; modernization of plant and machinery; enhanced capacity utilization; improved marketing strategies; cost control; optimization of inventories; rationalisation of manpower; etc.